

Central Intelligence Agency



Washington, D.C. 20505

15 FEB 1982

Honorable James A. Baker III
Chief of Staff
The White House
Washington, D.C. 20500

Dear Jim:

Since 1979 the CIA has been cooperating with the Subcommittee on Commerce, Consumer and Monetary Affairs of the House Committee on Government Operations, chaired by Representative Benjamin S. Rosenthal, to assist the Subcommittee in its examination of foreign investments in the United States. In that connection, the Agency has made available to Mr. Rosenthal 17 classified documents with the understanding that the classification of this material be respected.

The Agency's 1979 Understanding with Mr. Rosenthal, a copy of which is enclosed at Tab A, set up procedures whereby the documents would be reviewed for declassification in the eventuality that the Subcommittee wished to make public any of the information furnished to the Subcommittee by the CIA. The Understanding further provides that, if Mr. Rosenthal and the DCI are unable to agree as to which material may be made public, Mr. Rosenthal may inform the President of the information which the Subcommittee wishes to disclose and may disclose such material unless the President, within 10 working days, personally states his objections and the reasons therefor. Thereafter, pursuant to the Understanding, the Subcommittee may refer the question of disclosure to the House of Representatives.

Pursuant to that Understanding, Mr. Rosenthal requested that the documents be declassified. The Agency, thereupon, reviewed these documents for declassification, declassified portions of the material, but informed Mr. Rosenthal that much of the material required continued classification. Because of Mr. Rosenthal's dissatisfaction with our efforts, I had called together a group of very senior, qualified

officials in the Agency and the Departments of State and Treasury to conduct a renewed declassification review of the material which, in general, affirmed the findings of the original review and I have informed Mr. Rosenthal accordingly. Please note my letter at Tab B.

Although I had earlier informed Mr. Rosenthal that this review by the group of senior Agency officials was underway, Mr. Rosenthal apparently did not wish to await the results of that review and sent a letter to the President on 9 February, a copy of which is enclosed at Tab C. Mr. Rosenthal in that letter invokes the provision in the 1979 Memorandum of Understanding whereby Mr. Rosenthal could appeal to the President. The 10-working-day deadline by which the President should reply to Mr. Rosenthal's letter expires on 24 February.

I suggest the prudent course to follow would be to have the President reply to Mr. Rosenthal's 9 February letter since it is possible that Mr. Rosenthal would, indeed, publish the 17 classified documents, as he suggests, if the President does not reply. Enclosed at Tab D is a suggested draft of a letter by the President to Mr. Rosenthal.

Be assured that I have taken steps that no agreements like that with Mr. Rosenthal will be entered into henceforth unless the President's specific authority is obtained in advance.

Sincerely,

/s/

William J. Casey
Director of Central Intelligence

Enclosures